

Final Official Statement Dated September 11, 2024

REFUNDING ISSUE: BOOK-ENTRY-ONLY

RATING: S&P Global Ratings: "AA"

In the opinion of Bond Counsel, rendered in reliance upon and assuming the accuracy of and continuing compliance by the Town with certain representations and covenants relating to the applicable requirements of the Internal Revenue Code of 1986 (the "Code"), under existing law, interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of the federal alternative minimum tax under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. In the opinion of Bond Counsel, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. (See "Tax Matters" herein.)



Town of Watertown, Connecticut \$11,350,000 General Obligation Refunding Bonds, Issue of 2024, Series B

Dated: Date of Delivery

**Due: Serially September 15, 2025-2038
as detailed below:**

Year	Principal	Coupon	Yield	CUSIP ¹	Year	Principal	Coupon	Yield	CUSIP ¹
2025	\$ 495,000	5.000%	2.220%	9418933F4	2032	\$ 960,000	5.000%	2.350%	9418933N7
2026	940,000	5.000%	2.140%	9418933G2	2033	565,000	5.000%	2.380%	9418933P2
2027	945,000	5.000%	2.130%	9418933H0	2034	570,000	5.000%	2.420%	9418933Q0
2028	1,385,000	5.000%	2.140%	9418933J6	2035	570,000	5.000%	2.490%	9418933R8
2029	1,295,000	5.000%	2.130%	9418933K3	2036*	575,000	4.000%	2.550%	9418933S6
2030	945,000	5.000%	2.190%	9418933L1	2037*	575,000	4.000%	2.600%	9418933T4
2031	955,000	5.000%	2.270%	9418933M9	2038*	575,000	4.000%	2.650%	9418933U1

* Priced assuming redemption on September 15, 2035; however, any such redemption is at the option of the Town.

FHN FINANCIAL CAPITAL MARKETS

The \$11,350,000 General Obligation Refunding Bonds, Issue of 2024, Series B (the "Bonds") will bear interest commencing March 15, 2025 and semiannually thereafter on March 15 and September 15 in each year until maturity. The Bonds will be general obligations of the Town of Watertown, Connecticut (the "Town") and the Town will pledge its full faith and credit to pay the principal of and the interest on the Bonds when due. See "Security and Remedies" herein.

The Bonds are subject to redemption prior to maturity as more fully described under "Redemption Provisions" herein.

The Bonds are issuable only as fully-registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, reference herein to the Bondowner shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. See "Book-Entry-Only Transfer System" herein.

The Registrar, Transfer Agent, Paying Agent, Escrow Agent and Certifying Agent for the Bonds will be U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut 06103.

The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Pullman & Comley, LLC, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC in New York, New York on or about September 25, 2024.

¹ CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems, Inc, which is not affiliated with the Town and are included solely for the convenience of the holders of the Bonds. The Town is not responsible for the selection or use of these CUSIP numbers, does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

No dealer, broker, salesperson or other person has been authorized by the Town of Watertown, Connecticut (the “Town”) to give any information or to make any representations, other than those contained in this Official Statement; and if given or made, such other information or representation must not be relied upon as having been authorized by the Town. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

This Official Statement has been prepared only in connection with the initial offering and sale of the Bonds and may not be reproduced or used in whole or in part for any other purpose. The information, estimates and expressions of opinion in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no material change in the affairs of the Town since the date of this Official Statement.

Set forth in Appendix A – “2023 Financial Statements Excerpted from the Town’s Annual Comprehensive Financial Report” hereto is a copy of the report of the independent auditors for the Town with respect to the financial statements of the Town included in that appendix. The report speaks only as of its date, and only to the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in that appendix.

Bond Counsel is not passing on and does not assume any responsibility for the accuracy or completeness of the statements made in this Official Statement, (other than matters expressly set forth as its opinion in Appendix B herein), and makes no representation that it has independently verified the same.

Any references to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, any such websites and the information or links contained therein are not incorporated into, and are not part of, this offering document.

The Town deems this official statement to be “final” for the purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but is subject to revision or amendment.

This Official Statement may include “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Without limiting the foregoing, the words “may,” “believe,” “could,” “might,” “possible,” “potential,” “project,” “will,” “should,” “expect,” “intend,” “plan,” “predict,” “anticipate,” “estimate,” “approximate,” “contemplate,” “continue,” “target,” “goal” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these words. All forward-looking statements included in this Official Statement are based on information available to the Town up to the date as of which such statements are to be made, or otherwise up to, and including, the date of this document, and the Town assumes no obligation to update any such forward-looking statements to reflect events or circumstances that arise after the date hereof or after the date of any report containing such forward-looking statement, as applicable. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain important factors, including, but not limited to (i) the effect of and from, future municipal, state and federal budgetary matters, including state and federal grants and other forms of financial aid to the Town; (ii) federal tax policy, including the deductibility of state and local taxes for federal tax purposes; (iii) macroeconomic economic and business developments, both for the country as a whole and particularly affecting the Town; (iv) financial services industry developments; (v) litigation or arbitration; (vi) climate and weather related developments, natural disasters and other acts of God; (vii) factors used in estimating future obligations of the Town; (viii) the effects of epidemics and pandemics, including economic effects; (ix) foreign Hostilities or wars; (x) foreign or domestic terrorism or domestic violent extremism; and (xi) other factors contained in this Official Statement.

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Bond Issue Summary

The information in this Bond Issue Summary, the front cover page and inside cover page is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. This Official Statement speaks only as of its date and the information herein is subject to change.

Date of Sale:	Wednesday, September 11, 2024 at 11:30 A.M. (Eastern Time).
Issuer:	Town of Watertown, Connecticut (the "Town").
Issue:	\$11,350,000 General Obligation Refunding Bonds, Issue of 2024, Series B (the "Bonds").
Dated Date:	Date of Delivery
Principal and Interest Due:	Principal due serially September 15, 2025 through September 15, 2038. Interest due March 15 and September 15 in each year until maturity, commencing March 15, 2025.
Authorization and Purpose:	The proceeds of the Bonds are being used to refund all or a portion of the Town's outstanding bonds. See "Plan of Refunding" herein.
Redemption:	The Bonds are subject to redemption prior to maturity. See "Redemption Provisions" herein.
Security:	The Bonds will be general obligations of the Town, and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
Credit Rating:	The Bonds are rated "AA" by S&P Global Ratings ("S&P"). (See "Ratings" herein.)
Basis of Award:	Lowest True Interest Cost (TIC), as of the dated date.
Bond Insurance:	The Town does not expect to purchase a credit enhancement facility.
Tax Exemption:	See "Tax Matters" herein.
Bank Qualification:	The Bonds <u>shall NOT</u> be designated by the Town as qualified tax-exempt obligations under the provision of Section 265(b) of the Internal Revenue Code of 1986, for purposes of the deduction by financial institutions of interest expense allocable to the Bonds.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) annual financial information and operating data, (ii) timely notice of certain events with respect to the Bonds not in excess of 10 business days after the occurrence of such events and (iii) timely notice of a failure by the Town to provide the required annual financial information and operating data on or before the date specified in the Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix C to this Official Statement.
Registrar, Transfer Agent, Certifying Agent, Escrow Agent and Paying Agent:	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut 06103.
Municipal Advisor:	Phoenix Advisors, LLC of Milford, Connecticut. Telephone (203) 283-1110.
Legal Opinion:	Pullman & Comley, LLC, of Hartford, Connecticut will act as bond counsel.
Delivery and Payment:	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about September 25, 2024. Delivery of the Bonds will be made against payment in Federal Funds.
Issuer Official:	Questions concerning the Official Statement should be addressed to Susan Zappone, Acting Finance Director, Town of Watertown, Town Hall, 61 Echo Lake Road, Watertown, Connecticut 06795. Phone: (860) 945-5259.

I. Bond Information

Introduction

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Watertown, Connecticut (the “Town”), in connection with the issuance of \$11,350,000 General Obligation Refunding Bonds, Issue of 2024, Series B (the “Bonds”) of the Town.

The Bonds are being offered for sale at public bidding. A Notice of Sale dated September 4, 2024 has been furnished to prospective bidders. Reference is made to the Notice of Sale, which is included as Appendix D, for the terms and conditions of the bidding.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds. Any statement made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any such opinion or estimate will be realized. No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the Town contained herein do not purport to be complete, are subject to repeal or amendment, and are qualified in their entirety by reference to such laws and the original official documents. All references to the Bonds and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

U.S. Bank Trust Company, National Association, will certify and act as Registrar, Transfer Agent, Certifying Agent, Escrow Agent, and Paying Agent for the Bonds.

The presentation of information in this Official Statement is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other positions of the Town.

The Town deems this Official Statement to be “final” for the purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but it is subject to revision or amendment.

Global Health Emergency Risk

The COVID-19 Outbreak and Future Pandemics

On January 30, 2020, the outbreak of COVID-19 was declared a Public Health Emergency of International Concern by the World Health Organization. On March 13, 2020, the President of the United States declared a national emergency as a result of the COVID-19 outbreak. On March 10, 2020, Governor Lamont declared a state of emergency throughout the State of Connecticut (the “State”) and took steps to mitigate the spread and impacts of COVID-19. As of May 11, 2023, the federal and State public health emergency declarations have been terminated.

In response to the COVID-19 pandemic, on March 11, 2021, President Biden signed into law the \$1.9 trillion American Rescue Plan Act of 2021 (the “Rescue Plan”) that provided various forms of financial assistance and other relief to state and local governments. The Town received \$6,386,022 from the Rescue Plan. The Town is planning on using the funds for many infrastructure improvements such as pavement rehab, road safety projects and Main Street development with additional parking being created for downtown use.

For up-to-date information concerning the State’s actions in response to COVID-19, see <https://portal.ct.gov/coronavirus>. Neither the Town, nor the parties involved with the issuance of the Bonds, has reviewed the information provided by the State on its website and such parties take no responsibility for the accuracy thereof.

To date, the COVID-19 outbreak has had no material adverse effect on the finances of the Town.

Pandemics, epidemics and other public health emergencies, may adversely impact the Town and its revenues, expenses and financial condition. The Town cannot predict the duration and extent of such pandemics, epidemics and other health emergencies, or quantify the magnitude of their ultimate impact on the State and regional economy, or on the revenues and expenses of the Town. Pandemics, epidemics and other health emergencies may be ongoing, and their dynamic nature may lead to many uncertainties, including (i) the geographic spread as they evolve; (ii) the severity as they mutate; (iii) the duration of the outbreak; (iv) actions that may be taken by governmental authorities to contain or mitigate future outbreaks; (v) the development of medical therapeutics or vaccinations; (vi) travel restrictions; (vii) the impact of the outbreak on the local, State or global economy; (viii) whether and to what extent the State Governor may order additional public health measures; and (ix) the impact of the outbreak and actions taken in response to the outbreak on Town revenues, expenses and financial condition.

Prospective investors should assume that restrictions and limitations related to COVID-19 and any future variants or pandemics may be instituted by the State or federal government.

Climate Change

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. The Town faces certain threats due to climate change, including flooding, drought and damaging wind that could become more severe and frequent. The Town cannot predict the timing, extent or severity of climate change and its impact on the Town's operations and finances.

Cybersecurity

The Town, like many other public and private entities, relies on technology to conduct its operations. The Town and its departments face cyber threats from time to time, including but not limited to hacking, viruses, malware, phishing, and other attacks on computers and other sensitive digital networks and systems. To reduce the risk of a successful cyber security threat the Town has invested in IT security firewalls, anti-virus software, anti-malware software, and ransomware protection software. All of the Town computers and computer servers are protected by this security software and firewalls. These security protection systems are evaluated annually for upgrades or replacements.

To mitigate the risk of business operations impact and/or damage from cyber security incidents or cyber-attacks, the Town has invested in disaster recovery systems and a continuity of IT operations plan which leverages regular daily system backups. In the event of a cybersecurity incident recovery from an earlier state for any enterprise application system is possible. The Town currently has a cybersecurity insurance policy. No assurances can be given, however, that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact financial operations and/or damage the Town's digital networks and systems and the costs of remedying any such damage could be substantial.

Municipal Advisor

Phoenix Advisors, LLC, of Milford, Connecticut has served as Municipal Advisor to the Town with respect to the issuance of the Bonds (the "Municipal Advisor"). The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the appendices hereto.

The Municipal Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

Description of the Bonds

The Bonds will mature on September 15 in each of the years as set forth on the cover page of this official statement. The Bonds will be dated the date of delivery and bear interest at the rates per annum specified on the inside cover page of this official statement, payable semiannually on March 15 and September 15 in each year until maturity, commencing March 15, 2025. Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months. Interest is payable to the registered owner as of the close of business on the last business day of February and August, in each year, by check mailed to the registered owner; or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC, the Paying Agent and the Town shall agree. Principal will be payable at the principal office of U.S. Bank Trust Company, National Association. The Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. The Bonds are subject to redemption prior to maturity. See “Redemption Provisions” herein.

Redemption Provisions

The Bonds maturing on or before September 15, 2035 are not subject to redemption prior to maturity. The Bonds maturing on September 15, 2036 and thereafter are subject to redemption prior to maturity, at the election of the Town, on or after September 15, 2035 at any time, either in whole or in part, in such amounts and in such order of maturity, (but by lot within a maturity) as the Town may determine, at the redemption prices (expressed as a percentage of the principal amount of the Bonds to be redeemed), set forth in the following table, plus interest accrued and unpaid to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
September 15, 2035 and thereafter	100%

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail not less than thirty (30) days prior to the redemption date to the registered owner of the Bonds at the address of such registered owner as the same shall last appear on the registration books for the Bonds kept for such purpose. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Town in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or a multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

The Town, so long as a book-entry system is used for the Bonds, will send any notice of redemption only to DTC (or successor securities depository) or its nominee. Any failure of DTC to advise any Direct Participant or of any Direct Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its contents or effect will not affect the validity of the redemption of such Bonds called for redemption. Redemption of a portion of the Bonds of any maturity by the Town will reduce the outstanding principal amount of Bonds of such maturity held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interests held by Direct Participants in the Bonds to be redeemed, the interest to be reduced by such redemption in accordance with its own rules or other agreements with Direct Participants. The Direct Participants and Indirect Participants may allocate reductions of the interest in the Bonds to be redeemed held by the Beneficial Owners. Any such allocations of reductions of interests in the Bonds to be redeemed will not be governed by the determination of the Town authorizing the issuance of the Bonds and will not be conducted by or the responsibility of the Town, the Registrar or Paying Agent.

Authorization and Purpose

The Bonds are issued pursuant to Title 7 of the General Statutes of the State of Connecticut, as amended, the Charter of the Town of Watertown, and a refunding resolution adopted by the Town Council at a meeting held August 19, 2024.

Plan of Refunding

The Bonds are being issued to refund prior to maturity all or a portion of the outstanding principal amount of the Town's outstanding general obligation bonds set forth below (the "Refunded Bonds"), and to pay costs of issuance. The refunding is contingent upon delivery of the Bonds.

<i>Issue</i>	<i>Dated Date</i>	<i>Maturity Date</i>	<i>Interest Rate</i>	<i>Par Amount</i>	<i>Redemption Date</i>	<i>Redemption Price</i>	<i>CUSIPs</i>	
2013	2/15/2013	1/15/2025	2.500%	\$ 835,000	12/20/2024	100.00%	941893ZG7	
		1/15/2029	2.750%	420,000	12/20/2024	100.00%	941893ZK8	
		1/15/2030	3.000%	415,000	12/20/2024	100.00%	941893ZH5	
	Term	1/15/2031	3.000%	410,000	12/20/2024	100.00%	941893ZJ1	
	Term	1/15/2032	3.000%	405,000	12/20/2024	100.00%	941893ZJ1	
	Term	1/15/2033	3.000%	400,000	12/20/2024	100.00%	941893ZJ1	
	Sub-Total				<u>\$ 2,885,000</u>			
2015, Series B	4/30/2015	9/15/2025	3.000%	\$ 375,000	12/20/2024	100.00%	941893E88	
		Term	9/15/2026	3.000%	370,000	12/20/2024	100.00%	941893F20
		Term	9/15/2027	3.000%	365,000	12/20/2024	100.00%	941893F20
		Term	9/15/2028	3.000%	360,000	12/20/2024	100.00%	941893F46
		Term	9/15/2029	3.000%	360,000	12/20/2024	100.00%	941893F46
		Sub-Total			<u>\$ 1,830,000</u>			
2017	4/25/2017	4/15/2025	2.500%	\$ 100,000	12/20/2024	100.00%	941893G78	
		4/15/2026	2.500%	100,000	12/20/2024	100.00%	941893G86	
		4/15/2027	2.750%	100,000	12/20/2024	100.00%	941893G94	
		4/15/2028	2.750%	100,000	12/20/2024	100.00%	941893H28	
		4/15/2029	2.750%	100,000	12/20/2024	100.00%	941893H36	
		Sub-Total			<u>\$ 500,000</u>			
2018, Series A	10/25/2018	10/15/2024	5.000%	\$ 580,000	n/a	n/a	941893J26	
		10/15/2025	4.000%	580,000	12/20/2024	100.00%	941893J34	
		10/15/2026	4.000%	580,000	12/20/2024	100.00%	941893J42	
		10/15/2027	4.000%	580,000	12/20/2024	100.00%	941893J59	
		10/15/2028	4.000%	580,000	12/20/2024	100.00%	941893J67	
		10/15/2029	4.000%	580,000	12/20/2024	100.00%	941893J75	
		10/15/2030	4.000%	580,000	12/20/2024	100.00%	941893J83	
		10/15/2031	4.000%	580,000	12/20/2024	100.00%	941893J91	
		10/15/2032	4.000%	580,000	12/20/2024	100.00%	941893K24	
		10/15/2033	4.000%	580,000	12/20/2024	100.00%	941893K32	
		10/15/2034	4.000%	580,000	12/20/2024	100.00%	941893K40	
		10/15/2035	4.000%	575,000	12/20/2024	100.00%	941893K57	
		10/15/2036	4.000%	575,000	12/20/2024	100.00%	941893K65	
		10/15/2037	4.000%	575,000	12/20/2024	100.00%	941893K73	
		10/15/2038	4.000%	575,000	12/20/2024	100.00%	941893K81	
Sub-Total			<u>\$ 8,680,000</u>					
Total				<u>\$ 13,895,000</u>				

Upon delivery of the Bonds, a portion of the Bond proceeds will be deposited in an irrevocable escrow fund (the “Escrow Deposit Fund”) established with U.S. Bank Trust Company, National Association, as escrow agent (the “Escrow Agent”) under an Escrow Agreement (the “Escrow Agreement”) dated as of the Date of Delivery between the Escrow Agent and the Town. The Escrow Agent will use such proceeds to purchase a portfolio of United States Treasury State and Local Government Series securities (“SLGS”) securities and any other securities permitted by Section 7-400 of the Connecticut General Statutes, all of which shall not be callable or prepayable at the option of the issuer thereof (the “Escrow Securities”) and needed to pay the principal, interest payments, of the Refunded Bonds. All investment income on and the maturing principal of the Escrow Securities held in the Escrow Deposit Fund will be irrevocably deposited by the Town for payment of the Refunded Bonds. The balance of the proceeds of the Bonds will be used to pay costs of issuance and Underwriter’s discount.

Verification of Mathematical Computations

The accuracy of the mathematical computations regarding (i) the adequacy of maturing principal of and interest earned on the Government Obligations deposited with the Escrow Agent to pay, when due, the principal of, accrued interest and redemption premium on the Refunded Bonds on the redemption dates and (ii) net present value savings, will be verified by AMTEC of Avon, Connecticut (the “Verification Agent”). Such verification of the accuracy of the mathematical computations will be based upon information and assumptions supplied to the Verification Agent by the Municipal Advisor. AMTEC will express no opinion on the assumptions provided to them. Bond Counsel in rendering its opinion described herein will rely on the verification report.

Sources and Uses of Bond Proceeds

Sources:

Par Amount of the Bonds	\$ 11,350,000.00
Net Original Issue Premium	1,580,504.50
Equity Contribution	1,215,000.00
Total Sources	\$ 14,145,504.50

Uses:

Deposit to Escrow Deposit Fund	\$ 14,026,022.05
Costs of Issuance	96,791.08
Underwriter’s Discount	22,691.37
Total Uses	\$ 14,145,504.50

Tax Matters

Federal Taxes. In the opinion of Bond Counsel, under existing law, (i) interest on the Bonds is excluded from gross income for federal income tax purposes, and (ii) such interest is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations.

Bond Counsel’s opinion with respect to the Bonds will be rendered in reliance upon and assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements of the Internal Revenue Code of 1986 (the “Code”). The Code and regulations promulgated thereunder establish certain requirements which must be satisfied at and subsequent to the issuance of the Bonds in order that interest on the Bonds be and remain excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds irrespective of the date on which such noncompliance occurs. In the Tax Regulatory Agreement, which will be delivered concurrently with the issuance of the Bonds, the Town will covenant to comply with certain provisions of the Code and will make certain representations designed to assure compliance with such requirements of the Code including, but not limited to, investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of the Bond proceeds and certain other matters. The opinion of Bond Counsel delivered on the date of issuance of the Bonds is conditioned upon compliance by the Town with such requirements.

No other opinion is expressed by Bond Counsel regarding the federal tax consequences of the ownership of, or the receipt or accrual of interest on, the Bonds.

Original Issue Discount. The initial public offering prices of certain maturities of the Bonds may be less than the stated principal amount (the “OID Bonds”). Under existing law, the difference between the stated principal amount and the initial offering price of each maturity of the OID Bonds will constitute original issue discount. The offering prices relating to the yields set forth on the cover page of this Official Statement for such OID Bonds are expected to be the initial offering prices to the public (excluding bond houses and brokers) at which a substantial amount of the OID Bonds are sold. Under existing law, original issue discount on the OID Bonds accrued and properly allocable to the owners thereof under the Code is excludable from gross income for federal income tax purposes if interest on the OID Bonds is excludable from gross income for federal income tax purposes.

Under the Code, for purposes of determining an owner’s adjusted basis in an OID Bond purchased at an original issue discount, original issue discount is treated as having accrued while the owner holds such OID Bond and will be added to the owner’s basis. The owner’s adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of such an OID Bond.

Prospective purchasers of OID Bonds should consult their own tax advisors as to the calculation of accrued original issue discount, the accrual of original issue discount in the case of owners of OID Bonds purchasing such OID Bonds after the initial offering and sale, and the state and local tax consequences of owning or disposing of such OID Bonds.

Original Issue Premium. The initial public offering prices of certain maturities of the Bonds may be more than their stated principal amounts payable at maturity (the “OIP Bonds”). In general, an owner who purchases an OIP Bond must amortize the original issue premium as provided in the applicable Treasury Regulations, and amortized premium reduces the owner’s basis in the OIP Bond for federal income tax purposes. Prospective purchasers of OIP Bonds at a premium to its principal amount should consult their tax advisors regarding the amortization of premium and its effect upon basis.

Other Federal Tax Matters. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, certain insurance companies, recipients of Social Security or Railroad Retirement benefits, certain S corporations, foreign corporations subject to the branch profits tax, taxpayers eligible for the earned income credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Bond Counsel does not express any opinion regarding such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors regarding collateral federal income tax consequences. Prospective purchasers of the Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

State Taxes. In the opinion of Bond Counsel, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax.

Interest on the Bonds is included in gross income for purposes of the Connecticut corporation business tax.

Accrued original issue discount on an OID Bond is also excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax.

Owners of the Bonds should consult their own tax advisors with respect to the determination for state and local income tax purposes of original issue discount or original issue premium accrued upon sale or redemption thereof, and with respect to the state and local tax consequences of owning or disposing of such Bonds.

Changes in Federal and State Tax Law. Legislations administrative actions and rulings, or court decisions, at both the federal and state levels may adversely affect the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the issuance of the Bonds will not have an adverse effect on the tax status of interest on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

Investors in the Bonds should be aware that such future legislative, administrative or legal actions may increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Bonds for federal and/or state income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds may be adversely affected and the ability of holders to sell their Bonds in the secondary market may be reduced. The Bonds are not subject to special mandatory redemption, and the interest rates on the Bonds are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Bonds.

General. The opinion of Bond Counsel is rendered as of its date, and Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to its attention or any changes in law that may occur after the date of its opinion. Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date of issuance. Moreover, Bond Counsel's opinion is not a guarantee of a particular result, and is not binding on the Internal Revenue Service or the courts; rather, such opinion represents Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

The discussion above does not purport to deal with all aspects of federal or state or local taxation that may be relevant to a particular owner of the Bonds. Prospective owners of the Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal, state and local tax consequences of owning and disposing of the Bonds.

Book-Entry-Only Transfer System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered Bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. For the Bonds, one fully-registered Bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond and Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest on, and redemption premium, if any, with respect to the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Paying Agent, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, principal and interest and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Town or its Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond and Note certificates are required to be printed and delivered.

Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

DTC Practices

The Town can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

Replacement Bonds

In the event that: (a) DTC determines not to continue to act as securities depository for the Bonds, and the Town fails to identify another qualified securities depository for the Bonds to replace DTC; or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the Town is authorized to issue fully registered Bond or Note certificates directly to the Beneficial Owner. A Beneficial Owner of the Bonds, upon registration of certificates held in such Beneficial Owner's name, will become the registered owner of the Bonds.

Security and Remedies

The Bonds will be general obligations of the Town and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due.

Unless paid from other sources, the Bonds are payable from general property tax revenues of the Town. The Town has the power under Connecticut General Statutes to levy ad valorem taxes on all property subject to taxation by the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income and of qualified disabled persons taxable at limited amounts. There was, however, no such certified forest land on the last completed grand list of the Town and under existing statutes, the State of Connecticut is obligated to pay the Town the amount of tax revenue which the Town would have received except for the limitation on its power to tax such dwelling houses.

Payment of the Bonds is not limited to property tax revenues or any other revenue source, but certain revenues of the Town may be restricted as to use and therefore may not be available to pay debt service on the Bonds.

There are no statutory provisions for priorities in the payment of general obligations of the Town. There are no statutory provisions for a lien on any portion of the tax levy or other revenues to secure the Bonds, or judgments thereon, in priority to other claims.

The Town is subject to suit on its general obligation debt and a court of competent jurisdiction has power in appropriate proceedings to render a judgment against the Town. A court of competent jurisdiction also has the power in appropriate proceedings to order a payment of a judgment on such Bonds from funds lawfully available therefor or, in the absence thereof, to order the Town to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts could take into account all relevant factors, including the current operating needs of the Town and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on the Bonds would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion. Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State of Connecticut having the power to levy taxes and issue bonds or other obligations.

THE TOWN HAS NEVER DEFAULTED IN THE PAYMENT OF PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES.

Qualification for Financial Institutions

The Bonds shall NOT be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

Availability of Continuing Disclosure Information

The Town prepares, in accordance with State law, annual independent audited financial statements and operating statements and files such annual reports with the State of Connecticut, Office of Policy and Management on an annual basis. The Town provides, and will continue to provide Moody's Investors Service and S&P Global Ratings ongoing disclosure in the form of independent annual financial reports, adopted budgets, and other materials relating to its management and financial condition, as may be necessary or requested.

The Town will enter into a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") with respect to the Bonds, substantially in the forms attached as Appendix C to this Official Statement, to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12(b)(5) (the "Rule") (i) annual financial information and operating data with respect to the Bonds, (ii) timely notice of the occurrence of certain events not in excess of 10 business days after the occurrence of such events with respect to the Bonds, and (iii) timely notice of a failure by the Town to provide the required annual financial information and operating data on or before the date specified in the Continuing Disclosure Agreement. The winning bidder's obligation to purchase the Bonds shall be conditioned upon their receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement.

The Town has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information and event notices pursuant to the Rule. In the last five years, the Town has not failed to comply, in all material respects, with its previous undertakings in such agreements except for the following. For the fiscal year ended June 30, 2022, the audited financial statements and operating data of the Town were filed late with the Municipal Securities Rulemaking Board's ("MSRB") Electronic Municipal Market Access website ("EMMA"). The Town filed a failure to file notice on March 3, 2023 and the Town's audited financial statements and operating data were filed on March 31, 2023. For the fiscal year ended June 30, 2023, the audited financial statements and operating data of the Town were filed late on EMMA. The Town filed a failure to file notice on March 1, 2024 and the Town's audited financial statements and operating data were filed on May 30, 2024.

Rating

The Bonds have been rated "AA" by S&P Global Ratings ("S&P"). The Town furnished the rating agency certain information and materials, some of which may not have been included in this Official Statement. The rating reflects only the view of the rating agency and an explanation of the significance of the rating may be obtained from such rating agency. There is no assurance that the rating will continue for any given period of time or that it will not be revised or withdrawn entirely if in the judgment of such rating agency, circumstances so warrant. A revision or withdrawal of the rating may have an effect on the market price of the Town's bonds and notes, including the Bonds.

The Town expects to furnish the rating agency with certain information and materials that the agency may request. However, the Town may issue short-term or other debt for which a rating is not requested.

Bond Insurance

The Town does not expect to purchase a credit enhancement facility for the Bonds.

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II. The Issuer



Description of the Municipality

The Town of Watertown, first settled as part of Plymouth and Thomaston, was incorporated as a separate town in 1780. The Town covers an area of 29.8 square miles and lies slightly over five miles west of Waterbury. It is bounded on the north by Morris and Thomaston, on the southeast by Waterbury, on the south by Middlebury, and on the west by Bethlehem and Woodbury. The Town is traversed by Connecticut Route 8, a limited-access, four-lane north-south highway. State Routes 63, 73, 132, and 262 also serve the Town. Freight service is provided by various motor common carriers, and passenger transportation is available by bus to Waterbury and surrounding towns.

Form of Government

Watertown utilizes the Council/Manager form of government under a Town Charter first adopted in 1961 and last revised in November 2020. The nine-member Council is elected at-large every two years and acts as the legislative body, enacting and amending ordinances and determining Town policies, programs, and legislation. The Town Manager, appointed by the Council, serves as the Chief Executive Officer of the Town and administers Council policy. The Council also acts as the fiscal authority, assisted by a Director of Finance appointed by the Town Manager and a full-time Treasurer appointed by the Director of Finance. A referendum approves the budget and the Town Council lays the tax rate based on the adopted budget.

Town Officials

Office	Name	Manner of Selection	Expiration of Term
Chairman, Town Council.....	Mary Ann Rosa	Elected	11/2027
Town Manager.....	Mark A. Raimo	Appointed	-
Acting Finance Director.....	Susan E. Zappone ¹	Appointed	-
Tax Collector.....	Carla Hamel	Appointed	-
Assessor.....	Faith Richmond	Appointed	-
Town Clerk.....	Lisa Dalton	Appointed	-
Superintendent of Schools.....	Alison Villanueva	Appointed	-

¹ *Susan Zappone retired as Finance Director effective May 31, 2024. She was employed by the Town for the past 30 years and served as both Assistant Finance Director and Finance Director and will assist the Town as Acting Finance Director until the position is filled.*

Municipal Services

Police Department: Watertown’s Police Department consists of 35 sworn officers and a civilian staff of three under the direction of a Chief of Police. The Department is divided into Administrative, Patrol and Investigative Services divisions and operates on a 24-hour basis. Watertown’s Communications Department is responsible for answering and dispatching all police, fire and 911 emergency calls.

Fire Protection and Ambulance Service: Fire protection is provided by a 105-person Volunteer Fire Department under the supervision of a paid Chief and Deputy Chief. Department expenses are underwritten by the Town. The Department operates from two stations, and equipment includes eight engines and two ladder trucks. Training drills are conducted throughout the year, and over 50% of the Department has advanced training in areas such as hazardous materials. The Department has two emergency vehicles for first response use in emergencies. Ambulance service is provided by private carriers.

Public Works: The Department of Public Works consists of Engineering and Operations and Maintenance Divisions. Engineering is responsible for design and construction inspection of Town-owned sewer and water mains, roads and storm drains. Operations and Maintenance is responsible for maintenance of Town facilities including 130 miles of road, 45 miles of storm drains, 52 miles of water mains, 62 miles of sewer mains, three water pumping stations, five sewer pumping stations and Town equipment.

Solid Waste: Although solid waste collection in the Town is collected by private firms under direct contract to the user, the Town has executed a Municipal Services Agreement (the “Municipal Services Agreement”) with the Materials Innovation and Recovery Authority (the “MIRA”) for the disposal of solid waste through the Mid-Connecticut System (the “System”). The Municipal Services Agreement became effective upon execution and will remain in effect so long as any bonds issued by MIRA remain outstanding, provided the last installment of principal on any bond shall become due no later than 30 years from the effective date of the Municipal Services Agreement.

Each municipality signing a Municipal Services Agreement, including the Town, has agreed to cause to be delivered to the System, after the date when the consulting engineer for the System has certified in writing that the Facility is ready for testing, all of the solid waste under the legal control of the municipality. MIRA is required to impose Service Payments at a uniform rate per ton for all municipalities. There is no minimum commitment, but the Municipal Services Agreement specifies that MIRA gets all municipal solid waste or regular solid waste and recyclables generated in the Town.

After a comprehensive study, MIRA determined that it was no longer feasible to maintain the trash burn facility in Hartford. In the winter of 2022, MIRA announced that effective July 1, 2022, MIRA planned to begin the process of decommissioning the burn facility and opening a transfer station where trash would be collected and shipped out of state. MIRA requested that participating Towns amend their contracts with MIRA to reflect this new disposal arrangement. Towns were also given the option to opt out of their agreements with MIRA and find alternative methods for disposing of trash and recyclables. The Town chose to opt out of its service contract with MIRA and contracted with a private company to dispose of its municipal solid waste, bulky waste and recyclables. The Town currently sends its waste to F&G Recycling, LLC which handles Municipal Solid Waste (MSW) and Recyclables contract was signed on March 18, 2022 and is valid until June 30, 2027. For Fiscal Year 2023-2024, the Town Cost was \$115 per ton for MSW and was valid until June 30, 2024. For year 2024-2025 it’s \$120 per ton, for 2025-2026 it’s \$124.80 per town and for 2026-2027 its \$129.95 per town – each year ends on June 30 of the Towns Fiscal Year. Recycling

Fees are at no cost but contingent on sending the MSW and Recycling to F&G. Bulky waste is delivered to Frost Bridge and Town does not have a contract with Frost Bridge Associates for Bulky Waste.

Sewage Disposal: Town sewage disposal in the Oakville section of Town is provided by the Watertown Water and Sewer Authority operating through the Department of Public Works. Approximately 3.1 million gallons per day are transported through Town-owned mains to City of Waterbury treatment facilities. Private septic systems serve the rest of the Town.

Water: The Watertown Water and Sewer Authority provides water service to approximately 3,950 customers. Consumption is currently 1 million gallons per day. Water is purchased from the City of Waterbury. Under terms of a contract with the City of Waterbury, Watertown may purchase up to 3 million gallons per day. Water is provided to the central portion of Town by the Watertown Fire District which distributes approximately 640,000 gallons per day from well fields in Woodbury. Private wells serve the rest of the Town.

In compliance with Public Act 89-305, the Water and Sewer Authority has implemented a conservation program. The program's intent is to educate the public on water conservation, to determine adequate water specifications for new developments and to design plans that will reduce water consumption for residential and commercial customers.

Utilities and Other Services: Watertown is served by Eversource Energy. Common carriers provide over the road freight service; passenger and freight rail service are available in Waterbury. A regional airport is located in nearby Oxford, and the Town is served by international airports in Windsor Locks, Connecticut and New York.

Parks and Recreation: Watertown provides a variety of recreational facilities and programs. Facilities include two swimming areas, an 18-hole golf course, tennis courts, playgrounds and ball fields. The 34-acre Veteran's Memorial Park is off of Nova Scotia Hill Road. Black Rock State Park is located in Watertown with additional facilities for swimming, camping and hiking. The Watertown Recreation Department provides year-round athletic and instructional programs for all age groups.

Public Library: Watertown is served by the Watertown Public Library, a non-profit organization which receives approximately 90% of its funding from the Town. The Library is open 45 hours per week and has over 60,000 volumes as well as an extensive collection of periodicals, records and cassettes. Through membership in an inter-library loan program, the resources of 36 other libraries are available to members.

Social Services: Through its Social Services Department, Watertown provides various services to the elderly, troubled youths and the indigent, including meals and rides programs, counseling and public assistance. Public health needs are addressed through Watertown's membership in the Torrington Health District. St. Mary's Hospital and Waterbury Hospital, both teaching hospitals, are located in adjacent Waterbury.

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Educational Services

The Watertown school system services grades pre-kindergarten through 12 and is governed by the local Board of Education. The nine members of the Watertown Board of Education are elected for two year terms. The primary function of the Board is to establish policy. Some of the areas for which such policies are set include curriculum, budget requests submission, ensuring funds for education as appropriated by the Town are properly expended, implementation of both State and Federal laws, and planning for facilities needed by the system, including construction and renovation.

The Town has five schools for grades pre-kindergarten through 12 comprising of: one senior high school, one junior high school, two elementary schools, and one primary school. Enrollment in grades pre-kindergarten through 12 as of October 1, 2023 was 2,599. The rated capacity of the system facilities is 4,037.

School Enrollment

School Year	Grades Pre-K - 6	Grades 7 - 8	Grades 9 - 12	Total
Historical				
2014-15	1,495	475	859	2,829
2015-16	1,515	432	858	2,805
2016-17	1,482	440	837	2,759
2017-18	1,262	669	835	2,766
2018-19	1,252	675	815	2,742
2019-20	1,442	469	793	2,704
2020-21	1,402	434	773	2,609
2021-22	1,402	393	785	2,580
2022-23	1,473	400	726	2,599
2023-24	1,467	395	719	2,581
Projected				
2024-25	1,469	395	698	2,562
2025-26	1,497	385	676	2,558

Source: Town of Watertown, Board of Education.

School Facilities

School	Grades	Date of Construction (Latest Additions)	Type of Construction	Number of Classrooms	Enrollment as of 10/1/2023	Operating Capacity
Watertown High School	9-12	1972	Brick	48	715	1,123
Swift Junior High School	6-8	1972	Brick	76	585	1,000
Judson Elementary School	3-5	1971	Brick	31	289	452
Polk Elementary School	3-5	1990	Brick	28	312	512
John Trumbull Primary School ...	Pre-K-2	2000	Brick	35	653	950
Total				218	2,554	4,037

**Employee Relations and Collective Bargaining
Municipal Employees**

	2023-24	2022-23	2021-22	2020-21	2019-20
General Government	130	119	116	133	120
Board of Education	495	472	490	477	462
Total	625	591	606	610	582

Employee Relations

Bargaining Unit	Number of Members	Contract Expiration Date
<u>General Government</u>		
American Fed. of State, County and Municipal Employees – Local 1303 - Highway...	32	6/30/2025
American Fed. of State, County and Municipal Employees – Local 541 - Police.....	39	6/30/2025
The United Public Service Employees Union Unit 083 - Communications.....	9	6/30/2025
The United Public Service Employees Union - White Collar.....	40	6/30/2024 ¹
Connecticut State Employees Association/SEIU, Local 2001 - Supervisors.....	10	6/30/2025
Total Organized	130	
Non-Union	-	
Sub-Total	130	
<u>Board of Education</u>		
Watertown Federation of Para-Professionals, Local 3960 AFT, AFL-CIO.....	107	8/31/2025
Watertown Education Association.....	255	8/31/2027
American Federation of State, County and Municipal Employees – Local 1049.....	40	6/30/2024 ¹
American Federation of State, County and Municipal Employees – Local 1303.....	27	6/30/2024 ¹
Watertown Principals Association.....	13	6/30/2026
American Federation of State, County and Municipal Employees – Local 1049.....	28	6/30/2024 ¹
Watertown School Nurses Association.....	10	6/30/2024 ¹
Total Organized	480	
Non-Union	15	
Sub-Total	495	
Total	625	

¹ In negotiations

Binding Arbitration

Connecticut General Statutes Sections 7-473c, 7-474, and 10-153a to 10-153n provide for a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipality may reject the arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either party. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration of contracts, in assessing the financial capability of a town, there is an irrefutable presumption that a budget reserve of (i) 5% or less with respect to teachers contracts, and (ii) 15% or less with respect to municipal employees, is not available for payment of the cost of any items subject to arbitration. In light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

III. Economic and Demographic Information

Population and Density

Year	Actual		
	Population ¹	% Increase	Density ²
2022 ³	22,177	0.3%	744.2
2020	22,105	-1.8%	741.8
2010	22,514	3.9%	755.5
2000	21,661	5.9%	726.9
1990	20,456	5.0%	686.4
1980	19,489	4.2%	654.0
1970	18,704	26.4%	627.7

¹ U.S. Department of Commerce, Bureau of Census.

² Per square mile: 29.8 square miles.

³ American Community Survey 2018-2022.

Age Distribution of the Population

Age	Town of Watertown		State of Connecticut	
	Number	Percent	Number	Percent
Under 5 years	915	4.1%	182,768	5.1%
5 to 9 years	1,297	5.8	196,600	5.4%
10 to 14 years	1,281	5.8	222,267	6.2%
15 to 19 years	1,071	4.8	247,501	6.9%
20 to 24 years	976	4.4	241,391	6.7%
25 to 34 years	2,956	13.3	449,466	12.4%
35 to 44 years	2,748	12.4	445,052	12.3%
45 to 54 years	2,861	12.9	475,109	13.2%
55 to 59 years	1,527	6.9	266,117	7.4%
60 to 64 years	1,552	7.0	255,938	7.1%
65 to 74 years	2,652	12.0	362,365	10.0%
75 to 84 years	1,537	6.9	178,746	4.9%
85 years and over	804	3.6	87,997	2.4%
Total.....	22,177	100%	3,611,317	100%
Median Age (Years) 2022.....	44.2		40.9	
Median Age (Years) 2010 ¹	42.4		40.0	

¹ U.S. Department of Commerce, Bureau of Census, 2010.

Source: American Community Survey 2018-2022.

Income Distribution

Income	Town of Watertown		State of Connecticut	
	Families	Percent	Families	Percent
\$ 0 - \$ 9,999.....	189	3.1%	21,866	2.4%
10,000 - 14,999.....	60	1.0	13,844	1.5%
15,000 - 24,999.....	168	2.7	32,363	3.5%
25,000 - 34,999.....	285	4.7	38,177	4.2%
35,000 - 49,999.....	466	7.6	65,393	7.2%
50,000 - 74,999.....	881	14.4	112,628	12.4%
75,000 - 99,999.....	943	15.4	109,739	12.0%
100,000 - 149,999.....	1,427	23.3	184,504	20.2%
150,000 - 199,999.....	718	11.7	125,406	13.8%
200,000 and over.....	980	16.0	207,948	22.8%
Total.....	6,117	100.0%	911,868	100.0%

Source: American Community Survey 2018-2022.

Income Levels

	Town of Watertown	State of Connecticut
Per Capita Income, 2022.....	\$ 45,412	\$ 52,034
Median Family Income, 2022.....	\$ 102,917	\$ 115,539
Median Household Income, 2022.....	\$ 84,536	\$ 90,213

Source: American Community Survey 2018-2022.

Educational Attainment Years of School Completed Age 25 and Over

	Town of Watertown		State of Connecticut	
	Number	Percent	Number	Percent
Less than 9th grade.....	468	2.8%	101,820	4.0%
9th to 12th grade.....	676	4.1	118,256	4.7
High School graduate.....	4,760	28.6	650,788	25.8
Some college, no degree.....	3,228	19.4	414,533	16.4
Associate's degree.....	1,382	8.3	192,167	7.6
Bachelor's degree.....	3,755	22.6	573,917	22.8
Graduate or professional degree.....	2,368	14.2	469,309	18.6
Total.....	16,637	100.0%	2,520,790	100.0%
Total high school graduate or higher (%).....		93.1%		91.3%
Total bachelor's degree or higher (%).....		36.8%		41.4%

Source: American Community Survey 2018-2022.

**Major Employers
As of June 2024**

Employer	Type of Business	Approximate Number of Employees
The Siemon Company.....	Manufacturer	420
Emerson Automated Solutions.....	Manufacturer	300
Shelter Logic.....	Manufacturer	280
The Taft School.....	Private school	260
Super Stop & Shop.....	Supermarket	220
Crystal Rock.....	Manufacturer	200
LaBonnes Market	Supermarket	195
PM Engineered Solutions.....	Manufacturer	190
Braxton Manufacturing.....	Manufacturer	180
Apple Rehab.....	Healthcare	125

Source: Phone Survey, Town of Watertown, Finance Department.

**Employment by Industry
Employed Persons 16 Years and Over**

Sector	Town of Watertown		State of Connecticut	
	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	36	0.3%	7,460	0.4%
Construction.....	621	5.4	112,421	6.1
Manufacturing.....	1,004	8.8	194,805	10.6
Wholesale trade.....	135	1.2	40,518	2.2
Retail trade.....	1,522	13.3	196,267	10.7
Transportation warehousing, and utilities.....	538	4.7	82,215	4.5
Information.....	309	2.7	36,440	2.0
Finance, insurance, real estate, and leasing.....	647	5.6	164,811	9.0
Professional, scientific, management, administrative, and waste management.....	1,280	11.2	217,442	11.9
Education, health and social services.....	3,639	31.7	485,013	26.5
Arts, entertainment, recreation, accommodation and food services.....	848	7.4	148,594	8.1
Other services (except public admin.).....	508	4.4	80,864	4.4
Public Administration.....	385	3.4	65,675	3.6
Total Labor Force, Employed.....	11,472	100.0%	1,832,525	100.0%

Source: American Community Survey 2018-2022.

**Employment Data
By Place of Residence**

Period	Town of Watertown		Percentage Unemployed		
	Employed	Unemployed	Town of	Waterbury	State of
			Watertown	Labor Market	Connecticut
July 2024.....	12,465	401	3.1	4.3	3.5
Annual Average					
2023.....	12,484	457	3.5	4.7	3.7
2022.....	12,396	462	3.6	5.2	4.1
2021.....	11,573	656	5.4	8.0	6.6
2020.....	11,804	777	6.2	8.5	7.3
2019.....	12,702	450	3.4	4.6	3.7
2018.....	12,581	482	3.7	5.1	4.1
2017.....	12,546	520	4.0	5.9	4.7
2016.....	12,413	599	4.6	6.5	5.3
2015.....	12,598	646	4.9	7.1	5.6
2014.....	11,253	800	6.7	8.9	6.7

Source: State of Connecticut, Department of Labor.

Age Distribution of Housing

Year Built	Town of Watertown		State of Connecticut	
	Units	Percent	Units	Percent
1939 or earlier.....	1,397	14.9%	316,471	20.7%
1940 to 1969.....	3,523	37.7	524,381	34.2
1970 to 1979.....	1,640	17.5	209,518	13.7
1980 to 1989.....	914	9.8	193,340	12.6
1990 to 1999.....	907	9.7	118,948	7.8
2000 or 2009.....	656	7.0	104,310	6.8
2010 or later.....	313	3.3	64,364	4.2
Total Housing Units	9,350	100.0%	1,531,332	100.0%

Source: American Community Survey 2018-2022.

Housing Inventory

Housing Units	Town of Watertown		State of Connecticut	
	Units	Percent	Units	Percent
1-unit, detached.....	7,158	76.6%	898,891	58.7%
1-unit, attached.....	349	3.7	91,794	6.0
2 units.....	728	7.8	120,419	7.9
3 or 4 units.....	697	7.5	128,942	8.4
5 to 9 units.....	339	3.6	78,127	5.1
10 to 19 units.....	40	0.4	56,353	3.7
20 or more units.....	39	0.4	145,025	9.5
Mobile home.....	-	-	11,257	0.7
Boat, RV, van, etc.....	-	-	524	0.0
Total Inventory	9,350	100.0%	1,531,332	100.0%

Source: American Community Survey 2018-2022.

Owner Occupied Housing Values

Specified Owner-Occupied Units	Town of Watertown		State of Connecticut	
	Number	Percent	Number	Percent
Less than \$50,000.....	262	3.8%	20,646	2.2%
\$50,000 to \$99,000.....	95	1.4	19,506	2.1
\$100,000 to \$149,999.....	169	2.5	46,916	5.0
\$150,000 to \$199,000.....	643	9.4	96,168	10.3
\$200,000 to \$299,999.....	2,628	38.6	238,687	25.6
\$300,000 to \$499,999.....	2,401	35.3	307,876	33.0
\$500,000 to \$999,999.....	561	8.2	149,216	16.0
\$1,000,000 or more.....	47	0.7	53,573	5.7
Total.....	6,806	100.0%	932,588	100.0%
Median Value.....	\$286,500		\$323,700	

Source: American Community Survey 2018-2022.

Building Permits

Ending 6/30	Residential		Commercial / Industrial		Other		All Categories	
	No.	Value	No.	Value	No.	Value	No.	Value
2024 ¹	255	\$ 5,938,880	32	\$ 3,638,034	879	\$ 13,249,419	1,166	\$ 22,826,333
2023	245	4,472,152	27	1,901,300	941	13,623,739	1,213	19,997,191
2022	172	5,673,239	26	3,633,360	1,123	14,490,618	1,321	23,797,217
2021	167	5,269,072	37	4,699,485	1,283	16,669,689	1,487	26,638,246
2020	150	6,543,471	21	1,084,900	1,223	14,561,109	1,394	22,189,480
2019	150	5,632,052	28	14,179,415	1,147	12,921,500	1,325	32,732,967
2018	191	5,594,128	34	2,932,998	1,160	10,987,604	1,385	19,514,730
2017	118	5,073,749	13	2,754,900	693	5,306,763	824	13,135,412
2016	208	6,760,047	13	1,176,200	1,353	11,333,275	1,574	19,269,522
2015	173	6,636,492	28	1,908,907	1,221	9,376,183	1,422	17,921,582

¹ As of April 30, 2024.

Sources: Building Department, Town of Watertown.

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IV. Tax Base Data

Property Tax – Assessments

Under Section 12-62 of the Connecticut General Statutes, the Town must do a revaluation every five years based on generally accepted mass appraisal methods. Since the Town completed its last physical revaluation effective as of October 1, 2023, the next statistical revaluation is planned for October 1, 2028.

Prior to the completion of each revaluation, the Assessor shall conduct a field review. Any required revaluation subsequent to such a delayed revaluation shall re-commence at the point in the schedule required pursuant to Section 12-62 that the municipality was following prior to such delay. The Assessor must fully inspect each parcel of improved real property once in every ten assessment years, provided that the Assessor is not required to fully inspect all of a town's improved real property parcels in the same assessment year or to fully inspect any such parcel more than once during every ten assessment years. Section 12-62 provides that the full inspection requirement shall not apply to any parcel of improved real property for which the Assessor obtains satisfactory verification of data listed on the Assessor's property record by means of a questionnaire sent by the Assessor, at any time during the period in which a full inspection of an improved parcel of real property is required, to the owner of such parcel to (A) obtain information concerning the property's acquisition, and (B) obtain verification of the accuracy of data listed on the Assessor's property record for such parcel.

The maintenance of an equitable tax base by locating and appraising all real and personal property within the Town for inclusion onto the grand list is the responsibility of the Assessor's Office. The grand list represents the total assessed values for all taxable and tax-exempt real estate and taxable personal property and motor vehicles located within the Town on October 1. Assessments for real estate are computed at 70% of the estimated market value at the time of the last general revaluation, while assessments for motor vehicles and personal property are computed at 70% of the current fair market value. Each year a Board of Assessment Appeals determines whether taxpayer petitions for assessment reductions on the current grand list are warranted.

When a new structure, or modification to an existing structure, is undertaken, the Assessor's Office receives a copy of the permit issued by the Building Official. Upon issuance of a certification of completion, a physical inspection is conducted and a new fair market value is determined with the aid of schedules developed at the time of the last revaluation. All value adjustments are reviewed to determine equity with similar properties and estimate changes to existing income streams.

All personal property (furniture, fixtures, equipment, machinery, supplies, non-registered motor vehicles, and leased equipment) is revalued annually. Random audits are conducted periodically.

Motor vehicle registration lists are furnished to the Town by the State Department of Motor Vehicles. The Office of Policy and Management has determined that the average retail values represented by the National Automobile Dealers Association pricing guides must be utilized in preparation of the grand lists. These values are applied uniformly and equitably to all vehicles in the Town; a myriad of exemptions are then applied to qualifying applicants. The same process is applied to the Supplemental Motor Vehicle list, which represents new or replacement vehicles which were registered after the October 1 assessment date, but before the following July 1. Bills for this supplemental list are issued the following January, eighteen months after the grand list date.

The Town of Watertown has not approved the use of Section 12-124a of the Connecticut General Statutes, which permits a municipality, upon approval of its legislative body, to abate property taxes on owner-occupied residences to the extent that the taxes exceed eight percent of the owner's total income, from any source, adjusted for self-employed persons to reflect expenses allowed in determining adjusted gross income.

Motor Vehicle Property Tax Rate

Section 12-71e(a) of the Connecticut General Statutes (the “General Statutes”) has been amended whereby the mill rate for motor vehicles shall not exceed 32.46 mills for the assessment year commencing October 1, 2021, and each assessment year thereafter. Section 12-71e(b) of the General Statutes has been amended to state that no district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the town, city, consolidated town and city or consolidated town and borough in which such district or borough is located would result in a combined motor vehicle mill rate above 32.46 mills for the assessment year commencing October 1, 2021, and each assessment year thereafter. Section 4-661 of the General Statutes diverts a portion of State collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to the motor vehicle property tax cap. The Town’s mill rate for motor vehicles for the assessment year commencing October 1, 2023 (the fiscal year ending June 30, 2025) is 28.37 mills.

Comparative Assessed Valuations (000s)

Grand List of 10/1	Commercial			Personal Property (%)	Motor Vehicle (%)	Gross Taxable Grand List	Less Exemption	Net Taxable Grand List	Percent Change
	Residential Real Property (%)	& Industrial Real Property (%)	Other Real Property (%)						
2023 ¹	68.5	12.8	0.7	8.0	10.0	\$ 2,680,565	\$ 82,804	\$ 2,597,761	32.35%
2022	63.1	12.3	0.9	10.0	13.7	2,047,099	84,318	1,962,781	0.02
2021	63.8	12.6	1.1	9.6	13.0	2,010,355	82,096	1,928,259	0.04
2020	65.9	13.0	0.2	10.0	10.9	1,944,348	85,877	1,858,471	0.00
2019	66.6	13.1	0.2	10.0	10.1	1,924,732	69,640	1,855,092	1.07
2018 ¹	67.1	12.8	0.2	9.6	10.1	1,909,409	74,046	1,835,363	3.58
2017	67.7	12.4	0.2	9.4	10.3	1,839,498	67,502	1,771,996	0.23
2016	67.8	12.5	0.2	9.1	10.3	1,830,638	62,664	1,767,974	1.30
2015	68.7	12.7	0.1	8.4	10.2	1,805,525	60,249	1,745,276	0.44
2014	68.7	13.0	0.1	8.1	10.1	1,796,982	59,296	1,737,686	1.11

¹ Revaluation.

Source: Town of Watertown, Town Assessor.

Property Tax Levies and Collections

Fiscal Year Ending 6/30	Grand List of 10/1	Net Taxable Grand List (000s)	Mill Rate	Adjusted Annual Levy	Percent of Annual Levy Collected at End of Fiscal Year	Percent of Annual Levy Uncollected at End of Fiscal Year	Percent of Annual Levy Uncollected as of 6/30/2024
2025 ^{1,2}	2023	\$ 2,597,761	28.37	\$ 73,698,480	<i>IN COLLECTION</i>		
2024 ¹	2022	1,962,781	36.86	71,741,107	98.50%	1.50%	1.50%
	2023	1,928,259	34.56	67,236,985	98.82%	1.18%	0.72%
	2022	1,858,471	34.56	63,857,052	99.06%	0.94%	0.29%
	2021	1,855,092	33.19	60,832,438	99.00%	1.00%	0.08%
2020 ²	2018	1,835,363	33.19	60,609,506	99.01%	0.99%	0.05%
	2019	1,771,996	33.59	59,521,344	98.93%	1.07%	0.05%
	2018	1,767,974	31.88	56,356,316	98.56%	1.44%	0.03%
	2017	1,745,276	30.89	53,911,545	98.62%	1.38%	0.05%
	2016	1,737,686	30.10	52,539,751	98.71%	1.29%	0.02%

¹ Subject to audit.

² Revaluation.

Source: Tax Collector’s Office, Town of Watertown.

Property Tax Receivables

Fiscal Year Ending 6/30	Current	
	Year Levy	Total
	Uncollected	Uncollected
2024 ¹	\$ 1,077,298	\$ 1,936,381
2023	790,741	1,269,059
2022	601,392	1,081,301
2021	616,545	1,032,715
2020	607,885	1,130,756
2019	625,663	1,153,958
2018	770,259	1,301,440
2017	786,029	1,377,402
2016	717,573	1,305,827
2015	711,355	1,198,868

¹ Subject to audit.

Sources: Tax Collector's Office, Town of Watertown.

Ten Largest Taxpayers

Name	Nature of Business	Taxable Valuation	Percent of Net Taxable Grand List ¹
Connecticut Light & Power.....	Utility	\$ 68,047,770	2.62%
Greenbriar Associates, LLC.....	Real Estate	10,787,210	0.42%
Straits LLC.....	Real Estate	10,512,950	0.40%
Global Steering System.....	Manufacturing	10,256,443	0.39%
JSD Partners.....	Manufacturing	9,869,230	0.38%
Straits Turnpike Limited Partnership.....	Supermarket	9,593,910	0.37%
Yankee Gas.....	Utility	9,593,070	0.37%
Siemon Realty Company.....	Real Estate	8,173,011	0.31%
The Siemon Company.....	Manufacturing	7,584,430	0.29%
Old Pin Shop LLC.....	Real Estate	6,149,730	0.24%
Total.....		\$ 150,567,754	5.80%

¹ Based on October 1, 2023 Net Taxable Grand List of \$2,597,761,000.

Source: Tax Assessor, Town of Watertown

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V. Debt Summary
Principal Amount of Indebtedness ¹
As of September 25, 2024
(Pro Forma)

Long-Term Debt			Amount of	Outstanding	
Dated	Purpose	Rate %	Original Issue	After This Issue	Final Maturity
10/24/19	Public Improvement	2.50-5.00	\$ 4,370,000	\$ 3,714,500	2041
10/24/19	Sewer	2.50-5.00	1,730,000	1,470,500	2041
10/24/19	Water	2.50-5.00	1,100,000	935,000	2041
10/23/20	Public Improvement	1.00-4.00	6,000,000	5,400,000	2042
05/19/21	Public Improvement - Series A	4.00	1,445,000	289,000	2026
05/19/21	School - Series A	4.00	3,690,000	1,496,000	2028
05/19/21	School - Series B (Taxable)	0.25-2.65	4,840,000	4,660,000	2039
01/25/22	Public Improvement	2.00-4.00	2,321,000	1,866,000	2035
01/25/22	School	2.00-4.00	6,836,000	6,046,000	2029
01/25/22	Sewer	2.00-4.00	273,000	193,000	2029
08/01/23	Public Improvement	4.00-5.00	4,000,000	3,800,000	2044
08/01/23	School	4.00-5.00	5,000,000	4,750,000	2044
07/31/24	Public Improvement	4.00-5.00	2,500,000	2,500,000	2045
07/31/24	School	4.00-5.00	7,860,000	7,860,000	2045
	Total.....		\$ 51,965,000	\$ 44,980,000	
This Issue					
09/25/24	Public Improvement	4.00-5.00	\$ 5,300,000	\$ 5,300,000	2039
09/25/24	School	4.00-5.00	3,655,000	3,655,000	2033
09/25/24	Sewer	4.00-5.00	1,465,000	1,465,000	2039
09/25/24	Water	4.00-5.00	930,000	930,000	2039
	Sub-Total This Issue.....		\$ 11,350,000	\$ 11,350,000	
	Total.....		\$ 63,315,000	\$ 56,330,000	

¹ Excludes refunded bonds.

Short-Term Debt
As of September 25, 2024
(Pro Forma)

The Town does not have any outstanding short-term debt as of September 25, 2024.

Annual Bonded Debt Maturity Schedule
As of September 25, 2024
(Pro Forma)

Fiscal Year Ended 6/30	Principal Payments	Interest Payments	Total Payments	This Issue: The Bonds	Total Principal	Cumulative Principal Retired %
2025 ¹	\$ 2,980,000	\$ 1,033,788	\$ 4,013,788	\$ -	\$ 2,980,000	5.29%
2026	4,440,000	1,468,996	5,908,996	495,000	4,935,000	14.05%
2027	3,910,000	1,299,321	5,209,321	940,000	4,850,000	22.66%
2028	3,685,000	1,139,243	4,824,243	945,000	4,630,000	30.88%
2029	2,910,000	989,565	3,899,565	1,385,000	4,295,000	38.51%
2030	2,095,000	873,411	2,968,411	1,295,000	3,390,000	44.52%
2031	2,095,000	795,425	2,890,425	945,000	3,040,000	49.92%
2032	2,090,000	722,251	2,812,251	955,000	3,045,000	55.33%
2033	2,080,000	656,700	2,736,700	960,000	3,040,000	60.72%
2034	2,070,000	593,413	2,663,413	565,000	2,635,000	65.40%
2035	2,065,000	529,701	2,594,701	570,000	2,635,000	70.08%
2036	1,910,000	465,598	2,375,598	570,000	2,480,000	74.48%
2037	1,905,000	404,255	2,309,255	575,000	2,480,000	78.88%
2038	1,895,000	342,333	2,237,333	575,000	2,470,000	83.27%
2039	1,890,000	280,811	2,170,811	575,000	2,465,000	87.64%
2040	1,625,000	223,475	1,848,475	-	1,625,000	90.53%
2041	1,625,000	169,425	1,794,425	-	1,625,000	93.41%
2042	1,265,000	120,100	1,385,100	-	1,265,000	95.66%
2043	965,000	78,500	1,043,500	-	965,000	97.37%
2044	965,000	39,900	1,004,900	-	965,000	99.09%
2045	515,000	10,300	525,300	-	515,000	100.00%
Total.....	\$ 44,980,000	\$ 12,236,511	\$ 57,216,511	\$ 11,350,000	\$ 56,330,000	

¹ Excludes principal payments of \$450,000 and interest payments of \$351,025 made between July 1, 2024 and September 25, 2024.

Overlapping/Underlying Debt

The Town of Watertown does not have any overlapping or underlying debt.

THE TOWN OF WATERTOWN HAS NEVER DEFAULTED IN THE PAYMENT OF PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES

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Debt Statement
As of September 25, 2024
(Pro Forma)

Long-Term Debt Outstanding:

General Purpose (Includes this issue).....	\$ 22,869,500
Schools (Includes this issue).....	28,467,000
Sewer (Includes this issue).....	3,128,500
Water (Includes this issue).....	1,865,000
Total Long-Term Debt	56,330,000
Short-Term Debt	-
Total Direct Debt.....	56,330,000
Less: School Construction Grants Receivable (As of June 30, 2024) ¹	-
Less: Self-Supporting Sewer Debt	-
Total Direct Net Debt.....	56,330,000
Overlapping/Underlying Debt.....	-
Total Overall Net Debt.....	\$ 56,330,000

¹ The State of Connecticut will reimburse the Town for eligible principal and interest costs over the life of bonds issued for projects authorized by the General Assembly prior to July 1, 1996. School construction grants receivable stated above are for principal reimbursement only.

Current Debt Ratios
As of September 25, 2024
(Pro Forma)

Population ¹	22,177
Net Taxable Grand List at 70% of Full Value (10/1/23)	\$ 2,597,761,000
Estimated Full Value	\$ 3,711,087,143
Equalized Net Taxable Grand List (10/1/22) ²	\$ 3,858,886,431
Money Income per Capita (2022) ¹	\$ 45,412

	Total Direct Debt:	Total Net Direct Debt / Overall Net Debt:
	\$56,330,000	\$56,330,000
Debt per Capita.....	\$2,540.02	\$2,540.02
Ratio to Net Taxable Grand List.....	2.17%	2.17%
Ratio to Estimated Full Value.....	1.52%	1.52%
Ratio to Equalized Grand List.....	1.46%	1.46%
Debt per Capita to Money Income per Capita.....	5.59%	5.59%

¹ American Community Survey 2018-2022.

² Office of Policy and Management, State of Connecticut.

Authority to Incur Debt

The Town of Watertown has the power to incur indebtedness as provided by the Connecticut General Statutes and the Town Charter. Refunding bonds are authorized by a resolution of the Town Council.

Temporary Financing

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of temporary notes when they become due and payable, and the legislative body schedules principal reductions by no later than the end of the third and for each subsequent year during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20th (1/30th for sewer projects and certain school projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years or for school and sewer projects, by the amount of time the temporary financing has been outstanding.

Temporary notes must be permanently funded no later than ten years from the initial borrowing date, except for sewer notes issued in anticipation of State and/or Federal grants. If a written commitment exists the municipality may renew the notes from time to time in terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

Temporary notes may also be issued for up to 15 years for certain capital projects associated with the operation of a waterworks system (CGS Sec. 7-244a) or a sewage system (CGS Sec. 7-264a). In the first year following the completion of the project(s), or in the sixth year (whichever is sooner), and in each year thereafter, the notes must be reduced by 1/15th of the total amount of the notes issued by funds derived from certain sources of payment specified by statute. Temporary notes may be issued in one-year maturities for up to 15 years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

Maturities

Except for refunding bonds that achieve net present value savings, general obligation (serial or term) bonds are required to be payable in maturities wherein a succeeding maturity may not exceed any prior maturity by more than 50%, or aggregate annual principal and interest payments must be substantially equal. The term of the issue may not exceed twenty years, except in the case of sewer and school bonds, which may mature in up to thirty years.

Limitation of Indebtedness

Municipalities shall not incur indebtedness through the issuance of bonds which will cause aggregate indebtedness by class to exceed the following:

General Purposes:	2.25 times annual receipts from taxation
School Purposes:	4.50 times annual receipts from taxation
Sewer Purposes:	3.75 times annual receipts from taxation
Urban Renewal Purposes:	3.25 times annual receipts from taxation
Unfunded Past Pension Purposes:	3.00 times annual receipts from taxation

“Annual receipts from taxation” (the “base”) are defined as total tax collections including interest and penalties, late payment of taxes and state payments for revenue losses under Connecticut General Statutes Sections 12-129d and 7-528. In no case shall total indebtedness exceed seven times the base.

Section 7-374 of the Connecticut General Statutes also provides for exclusion from the debt limitation calculation debt: (i) issued in anticipation of taxes; (ii) issued for the supply of water, for the supply of gas, for the supply of electricity, for electric demand response, for conservation and load management, for distributed generation, for renewable energy projects, for the construction of subways for cables, wires and pipes, for the construction of underground conduits for cables, wires and pipes, for the construction and operation of a municipal community antenna television system and for two or more of such purposes; (iii) issued in anticipation of the receipt of proceeds from assessments which have been levied upon property benefited by any public improvement; (iv) issued in anticipation of the receipt of proceeds from any state or federal grant for which the town or municipality has received

a written commitment or for which an allocation has been approved by the State Bond Commission or from a contract with the state, a state agency or another municipality providing for the reimbursement of capital costs but only to the extent such indebtedness can be paid from such proceeds; (v) issued for water pollution control projects in order to meet the requirements of an abatement order of the Commissioner of the Department of Energy and Environmental Protection, provided the municipality files a certificate signed by its chief fiscal officer with the commissioner demonstrating to the satisfaction of the commissioner that the municipality has a plan for levying a system of charges, assessments or other revenues which are sufficient, together with other available funds of the municipality, to repay such obligations as the same become due and payable; and (vi) upon placement in escrow of the proceeds of refunding bonds, notes or other obligations or other funds of the municipality in an amount sufficient, together with such investment earnings thereon as are to be retained in said escrow, to provide for the payment when due of the principal of and interest on such bond, note or other evidence of indebtedness.

**Statement of Debt Limitation
As of September 25, 2024
(Pro Forma)**

Total Tax Collections (including interest and lien fees)

For the year ended June 30, 2023 ¹..... \$ 67,501,870

Reimbursement For Revenue Loss:

Tax relief for elderly..... -

Base for Debt Limitation Computation..... \$ 67,501,870

	General Purpose	Schools	Sewers	Urban Renewal	Unfunded Pension
Debt Limitation:					
2 1/4 times base.....	\$ 151,879,208	-	-	-	-
4 1/2 times base.....	-	\$ 303,758,415	-	-	-
3 3/4 times base.....	-	-	\$ 253,132,013	-	-
3 1/4 times base.....	-	-	-	\$ 219,381,078	-
3 times base.....	-	-	-	-	\$ 202,505,610
Total Debt Limitation	\$ 151,879,208	\$ 303,758,415	\$ 253,132,013	\$ 219,381,078	\$ 202,505,610
Indebtedness:					
Bonds Outstanding ²	\$ 17,569,500	\$ 24,812,000	\$ 1,663,500	\$ -	-
Bonds (This Issue) ²	5,300,000	3,655,000	1,465,000	-	-
Debt Authorized But Unissued	2,177,672	2,450,254	36,980	-	-
Total Indebtedness	25,047,172	30,917,254	3,165,480	-	-
Less:					
Self-Supporting Debt	-	-	-	-	-
Total Net Indebtedness	25,047,172	30,917,254	3,165,480	-	-
DEBT LIMITATION IN EXCESS OF OUTSTANDING INDEBTEDNESS					
	\$ 126,832,036	\$ 272,841,161	\$ 249,966,533	\$ 219,381,078	\$ 202,505,610

¹ Excludes tax collections of coterminous municipalities.

² Excludes \$930,000 of water bonds of this issue and \$935,000 of outstanding water bonds as allowed under the Connecticut General Statutes.

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$472,513,090.

**Authorized but Unissued Debt
As of September 25, 2024
(Pro Forma)**

Project	Aggregate Amount Authorized	Bonds Issued	Grants / Paydowns	Authorized but Unissued
Watertown High School	\$ 56,157,000	\$ 29,510,000	\$ 26,617,988	\$ 29,012
Judson Elementary School	15,859,000	8,400,000	7,389,408	69,592
Swift Middle School	33,768,919	14,425,000	18,979,591	364,328
Water & Sewer Projects	6,330,550	6,330,000	-	550
Polk Elementary School	12,517,000	5,500,000	5,030,678	1,986,322
Wattles Brook Sewer Interceptor	2,036,650	2,000,000	-	36,650
Communications System Upgrade	1,881,000	1,460,000	300,000	121,000
Fire House Renovations & Exp	6,046,672	6,020,000	-	26,672
Road, Drainage & Culvert Imp	1,730,000	1,700,000	-	30,000
Capital Improvements	4,000,000	2,000,000	-	2,000,000
Various School Improvements	12,861,000	12,860,000	-	1,000
Total	\$ 153,187,791	\$ 90,205,000	\$ 58,317,665	\$ 4,665,126

School Projects

Pursuant to Section 10-287i of the Connecticut General Statutes, the State of Connecticut will provide proportional progress payments for eligible school construction expenses on projects approved after July 1, 1996.

Debt service reimbursement will continue under the prior reimbursement program for all projects approved prior to July 1, 1996. Under the prior program, a municipality issues bonds for the entire amount of the school construction project and the State of Connecticut reimburses the Town for principal and interest costs for eligible school construction projects over the life of outstanding school bonds and subsequent bond issues necessary to completely fund the approved school project.

Under the new program, the State of Connecticut will make proportional progress payments for eligible construction costs during project construction. The State grant will be paid directly to the municipality after it submits its request for progress payments, and accordingly, the municipality will issue its bonds only for its share of project costs.

Ratios of Net Long-Term Debt to Valuation, Population, and Income

Fiscal Year Ended 6/30	Net Assessed Value (000s)	Net Estimated Full Value¹ (000s)	Net Long-Term Debt (000s)	Ratio of Net Long-Term Debt to Assessed Value (%)	Net Long-Term Debt to Estimated Full Value (%)	Population²	Net Long-Term Debt per Capita	Ratio of Net Long-Term Debt per Capita to Per Capita Income³ (%)
2024 ⁴	\$ 1,962,781	\$ 2,803,973	\$ 49,535	2.52%	1.77%	22,177	\$ 2,233.62	4.92%
2023	1,928,259	2,754,656	46,005	2.39%	1.67%	22,177	2,074.45	4.57%
2022	1,858,471	2,654,959	51,475	2.77%	1.94%	22,177	2,321.10	5.11%
2021	1,855,092	2,650,131	57,065	3.08%	2.15%	22,177	2,573.16	5.67%
2020	1,835,363	2,621,947	55,890	3.05%	2.13%	22,177	2,520.18	5.55%

¹ Assessment Ratio: 70%.

² American Community Survey, 2018-2022.

³ Money Income per Capita: American Community Survey 2018-2022 data: \$45,412 used for all calculations.

⁴ Subject to audit.

**Ratio of Total General Fund Debt Service to
Total General Fund Expenditures and Transfers Out**

Fiscal Year Ended 6/30	Total Debt Service	Total General Fund Expenditures ¹	Ratio of General Fund Debt Service To Total General Fund Expenditures
2024 ²	\$ 6,610,435	\$ 89,780,880	7.36%
2023	7,722,638	97,558,818	7.92%
2022	6,707,692	87,036,797	7.71%
2021	10,121,868	89,086,559	11.36%
2020	7,165,456	82,973,910	8.64%
2019	6,993,692	82,697,199	8.46%
2018	7,060,936	79,171,612	8.92%
2017	7,258,827	79,406,474	9.14%
2016	6,461,700	74,835,018	8.63%
2015	6,616,270	72,972,375	9.07%

¹ GAAP basis of accounting. Includes Transfers out.

² Budget, subject to audit.

Source: Annual Audited Financial Statements.

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VI. Financial Administration

Fiscal Year

The Town's fiscal year begins July 1 and ends June 30.

Basis of Accounting

See footnote number 1 in "Notes to Financial Statements" of Appendix A.

Budget Procedure

Annually, the Town Manager presents the budget to the Board of Finance. After required hearings, the Board of Finance, which administers the budget, recommends its budget to the Town Council. At the annual budget meeting held in April, the Council may, by the required number of votes, reduce or increase the proposed estimated expenditures. After completing such action, the Council adopts the budget by resolution. The Board of Finance then calculates a rate of taxation on the most recent Grand List, which will produce the revenue required to preserve a balance between estimated receipts and expenditures, net of provisions for other estimated revenue and cash surplus or deficit.

Subject to the provisions of Chapter VII of the Town Charter, the Town Council, on recommendation of the Board of Finance, may appropriate at any time any unappropriated and unencumbered appropriation balance, or portion thereof, between general classifications of expenditures within an office, department or agency, up to a maximum of \$500. The Town Council must approve any transfer over \$500 from one office, department or agency to another to meet a pressing need for public expenditure. The Board of Finance and the Town Council may review the budget after recommendation by the Town Manager and certification by the Director of Finance that sufficient funds exist.

The budget is prepared on a modified accrual basis of accounting, except for the accrual of payroll. Encumbrances that are outstanding at year-end are not recorded as budgetary expenditures. The Town Council approves those items as continued appropriations in the following year's budget. Authorized continuing appropriations are presented as reservation of fund balance since the commitments will be honored in subsequent years. Encumbrances do not constitute expenditures or liabilities for generally accepted accounting principles or budgetary purposes. The control level on which expenditures may not legally exceed appropriation is the department level.

Audit

Pursuant to the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes), the Town is obligated to undergo an annual examination by an independent certified public accountant. The audit must be conducted under the guidelines issued by the State of Connecticut, Office of Policy and Management. The Town of Watertown is in full compliance with said provisions.

Liability Insurance

See Note number 8 in "Notes to Financial Statements" of Appendix A.

Pensions

The Town is the administrator of two single employer, contributory, defined benefit plans:

Town - General Town Employees

Police Benefit Fund - Police Employees

The pension plans are included in the financial statements as Pension Trust Funds. Individual stand-alone statements are not issued. Prudential Financial is the trustee of the Plan's assets. The latest actuarial valuation was completed for January 1, 2023. The budgeted fiscal year 2023–24 annual required contributions ("ARCs") is \$578,613 for the Town Retirement System and \$1,154,193 for the Police Benefit Fund for a total ARC of \$1,732,806. The Town's practice is to always budget 100% of the pension ARC.

Town Retirement System

The Town of Watertown Retirement System covers all full-time employees other than police officers, supervisors, certified Board of Education teachers and Water and Sewer Authority employees hired prior to February 1986.

All employees working at least 30 hours per week and 40 weeks per year are eligible under the plan. All eligible employees are 100% vested after 10 years of continuous service. The retirement benefit is 2% of final earnings per year of credited service, subject to a maximum percentage offset of the social security benefit defined by division group. Final earnings are defined as the average earnings during the highest three full earnings computation periods prior to normal retirement. Normal retirement date is the first month coinciding with or next following the employee's 65th birthday, except for the Highway Division. The normal retirement date for the Highway Division is the first month coinciding with or next following the earlier of the employee's age of 55 and 25 years of service or age 65. For early retirement, the normal accrued benefit is actuarially reduced for the number of months the annuity commencement date precedes the normal retirement date. Disabled employees are entitled to receive normal pension benefits based on service and final pay at the time of disability.

The aggregate actuarial cost method that is used for calculating the annual required contribution does not separately identify unfunded actuarial accrued liabilities. The schedule of funding progress presented below has been developed using the entry age actuarial cost method for the Town Retirement System.

Town Retirement System

Actuarial Valuation Date	Actuarial Value of Assets		Actuarial	Overfunded	Funded
	(a)		Accrued Liability (AAL)	(Unfunded)	Ratio
			(b)	AAL (b-a)	(a/b)
1/1/2023	\$ 27,285,990	\$	30,651,966	(3,365,976)	89.0%
1/1/2022	27,001,622		29,509,021	(2,507,399)	91.5%
1/1/2021	25,206,644		28,517,907	(3,311,263)	88.4%
1/1/2020	23,699,120		28,791,553	(5,092,433)	82.3%
1/1/2019	22,799,956		27,410,288	(4,610,332)	83.2%

Fiscal Year Ended	Annual Required Contribution			% of ARC
	Actual Contribution		(ARC)	Contributed
6/30/2024 ¹	\$ 578,613	\$	578,613	100.0%
6/30/2023	473,913		473,913	100.0%
6/30/2022	546,415		546,415	100.0%
6/30/2021	721,026		721,026	100.0%
6/30/2020	702,930		702,930	100.0%

¹ Subject to audit.

Police Benefit Fund

The Police Benefit Fund is open to all police employees represented by the union for collective bargaining purposes.

All police officers who work more than 20 hours per week and five months per calendar year are eligible to participate in the plan. All employees are 100% vested after 10 years of continuous service. The retirement benefit is 2.5% of final earnings per year of credited service, less 35% of social security. Final earnings are defined as the average earnings received in the last three full calendar years before retirement date. A temporary retirement annuity equal to 35% of the social security benefit shall be paid from normal retirement date to age 65. The normal retirement age is 55 or 25 years of service. An employee may accumulate up to 30 years of service. For early retirement, age 50 with 10 years of service, the normal benefit accrued is actuarially reduced for the number of months the annuity commencement date precedes the normal retirement date.

Actuarial Valuation Date	Actuarial Value Accrued Liability (AAL)		Overfunded (Unfunded)	Funded Ratio
	of Assets (a)	(b)	AAL (b-a)	(a/b)
1/1/2023	\$ 29,229,330	\$ 35,838,598	(6,609,268)	81.6%
1/1/2022	28,345,912	35,086,753	(6,740,841)	80.8%
1/1/2021	26,078,722	34,342,254	(8,263,532)	75.9%
1/1/2020	23,797,664	31,898,171	(8,100,507)	74.6%
1/1/2019	22,849,641	31,202,823	(8,353,182)	73.2%

Fiscal Year Ended	Annual Required Contribution			% of ARC Contributed
	Actual Contribution	(ARC)		
6/30/2024 ¹	\$ 1,154,193	\$ 1,154,193		100.0%
6/30/2023	1,131,906	1,131,906		100.0%
6/30/2022	1,254,215	1,254,215		100.0%
6/30/2021	1,165,983	1,165,983		100.0%
6/30/2020	1,177,609	1,177,609		100.0%

¹ Subject to audit.

The information presented in the required supplementary schedules to the audited financial statements was determined as part of the actuarial valuations at the dates indicated.

Governmental Accounting Standards Board Statement No. 67 ("GASB 67") requires a determination of the Total Pension Liability ("TPL") for a plan using the Entry Age Normal actuarial funding method. The Net Pension Liability ("NPL") is then set equal to the TPL minus the plan's Fiduciary Net Position ("FNP") which, generally, is the market value of assets in the plan as of the measurement date. Among the assumptions needed for the liability calculation is a Single Equivalent Interest Rate ("SEIR"). To determine the SEIR, the FNP must be projected into the future for as long as there are anticipated benefits payable to the membership and beneficiaries of the system on the measurement date. If the FNP of the plan is not expected to be depleted at any point in the future, the plan may use its long-term expected rate of return as the SEIR. If, on the other hand, the FNP of the plan is expected to be depleted, then the SEIR is the single rate of interest that will generate a present value of benefits equal to the sum of (i) the present value of all benefits through the date of depletion at a discount rate equal to the long-term expected rate of return, plus (ii) the present value of benefits after the date of depletion discounted at a rate based on 20-year, tax-exempt, general obligation municipal bonds, with an average credit rating of AA/Aa or higher.

The Town has received from its actuarial firm Prudential Financial's reports prepared as of June 30, 2023 containing information to assist the Town in meeting the requirements of GASB 67. These reports indicated the following results as of June 30, 2023 in accordance with GASB 67:

	Town	Police
Total Pension Liability	\$ 30,426,134	\$ 37,409,128
Plan Fiduciary Net Position	25,285,079	26,885,346
Total Net Pension Liability	<u>\$ 5,141,055</u>	<u>\$ 10,523,782</u>
Plan Fiduciary Net Position as a		
Percentage of the Total Pension Liability	83.10%	71.87%
Covered Payroll.....	\$ 4,842,259	\$ 3,342,383
Net Pension Liability as a Percentage		
of Covered Payroll.....	106.17%	314.86%

The report for the Town of Watertown Retirement Income Program as of June 30, 2023 used its long term investment rate of 7.00% as the SEIR since the results currently indicate that the FNP will not be depleted at any point in the future. GASB 67 also requires sensitivity calculations based on a SEIR 1% in excess and 1% less than the SEIR used as shown below:

	Current		
	1% Decrease	Discount Rate	1% Increase
	(6.00%)	(7.00%)	(8.00%)
Town Net Pension Liability	\$ 8,229,139	\$ 5,141,055	\$ 2,489,118

The report for the Town of Watertown Police Retirement Income Program as of June 30, 2023 used its long term investment rate of 7.00% as the SEIR since the results currently indicate that the FNP will not be depleted at any point in the future. GASB 67 also requires sensitivity calculations based on a SEIR 1% in excess and 1% less than the SEIR used as shown below:

	Current		
	1% Decrease	Discount Rate	1% Increase
	(6.00%)	(7.00%)	(8.00%)
Police Net Pension Liability	\$ 14,788,665	\$ 10,523,782	\$ 6,954,116

See Appendix A – “Audited Financial Statements, Notes to Financial Statements, Note 11” herein.

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Other Post-Employment Benefits (OPEB)

The Town has complied with the requirements of Governmental Accounting Standards Board (“GASB”) Statement Nos. 43 and 45, which require municipalities and other governmental entities to undertake an actuarial evaluation of their Other Post-Employment Benefit (“OPEB”) plans and include information concerning the valuation of such plans in their financial statements. The Town is contributing the “pay-as-you-go” portion only and is not currently amortizing any of the unfunded accrued liability, however the Town is in the process of creating a trust fund, and all investment earnings and positive variances from the “pay-as-you-go” budgeting will be used to mitigate the accrued liability.

The Town’s total OPEB liability of \$90,927,396 was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2023. The following table shows the changes in Net OPEB Liability:

	Increase (Decrease)		
	Total OPEB	Plan Fiduciary	Net OPEB
	Liability	Net Position	Liability
	(a)	(b)	(a) - (b)
Balance at June 30, 2022.....	\$ 73,210,738	\$ 1,447	\$ 73,209,291
Changes for the Year			
Service Cost.....	2,420,604	-	2,420,604
Interest.....	3,048,429	-	3,048,429
Change in Assumptions.....	2,711,014	-	2,711,014
Differences Between Expected and Actual Experience.....	11,754,061	-	11,754,061
Net Investment Income.....	-	1	(1)
Employer Contributions.....	-	2,217,450	(2,217,450)
Administrative Expense.....	-	(5)	5
Benefit Payments Including Implicit Costs....	(2,217,450)	(2,217,450)	-
Net Changes.....	17,716,658	(4)	17,716,662

The Town’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation is presented below. The Actuarially Determined Contribution for fiscal 2022-2023 totaled \$5,955,217 and the Town contributed \$2,217,450.

	2023	2022	2021	2020	2019
Actuarially Determined Contribution.....	\$ 5,955,217	\$ 6,475,026	\$ 6,204,992	\$ 6,980,358	\$ 6,235,663
Contributions in Relation to the Actuarially Determined Contribution.....	2,217,450	2,122,597	2,827,249	2,695,875	2,542,856
Contribution Deficiency (Excess).....	\$ 3,737,767	\$ 4,352,429	\$ 3,377,743	\$ 4,284,483	\$ 3,692,807
Contributions as a Percentage of ADC.....	37.24%	32.78%	45.56%	38.62%	40.78%
Covered Payroll.....	\$ 37,729,502	\$ 29,925,404	\$ 29,053,790	\$ 26,454,361	\$ 25,683,844
Contributions as a Percentage of Covered Payroll.....	5.88%	7.09%	9.73%	10.19%	9.90%

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate: The following presents the net OPEB liability of the Town as of June 30, 2023, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.09%) or 1-percentage-point higher (5.09%) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
	3.13%	4.13%	5.13%
Net OPEB Liability.....	\$ 106,630,425	\$ 90,925,953	\$ 78,460,852

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the net OPEB liability of the Town as of June 30, 2023, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.50%) or 1-percentage-point higher (5.50%) than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
	3.50%	4.50%	5.50%
Net OPEB Liability.....	\$ 77,582,433	\$ 90,925,953	\$ 107,918,254

Investment Policy

The Town Charter and Sections 7-400, 7-401 and 7-402 of the Connecticut General Statutes govern the investments the Town is permitted to acquire. Generally, the Town may invest in certificates of deposit; repurchase agreements; municipal notes, bonds, obligations of the United States, including joint and several obligations of the Federal Home Loan Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the Federal home loan banks, all Federal land banks, the Tennessee Valley Authority, or any other agency of the United States government. Mutual funds and money market funds that meet certain statutory requirements are also permitted investments.

See Appendix A – “Audited Financial Statements, Notes to Financial Statements, Note 3” herein.

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Comparative Balance Sheets – General Fund

	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Assets					
Cash and Cash Equivalents.....	\$ 12,096,177	\$ 12,074,314	\$ 8,275,988	\$ 11,299,188	\$ 9,543,857
Receivables.....	6,177,694	4,315,707	3,277,785	1,130,756	2,729,138
Pre-Paid Expenses.....	-	-	-	-	-
Due From Other funds.....	865,156	847,967	1,532,138	-	9,946
Total Assets.....	19,139,027	17,237,988	13,085,911	12,429,944	12,282,941
Liabilities and Fund Balances					
Accounts Payable.....	3,074,641	2,798,692	2,678,515	2,773,408	2,786,173
Accrued Payroll & Related.....	-	-	-	-	-
Performance Bonds.....	286,246	285,986	266,298	-	-
Unearned Revenue.....	-	-	-	-	-
Due to Other funds.....	5,000	-	-	-	-
Deferred Revenue.....	-	-	-	-	-
Total Liabilities.....	3,365,887	3,084,678	2,944,813	2,773,408	2,786,173
Deferred Inflows of Resources					
Lease Related.....	3,117,886	1,299,036	-	-	-
Unavailable Revenues.....	2,531,526	2,304,101	2,798,534	1,796,508	2,061,175
Total Deferred Inflows of Resources....	5,649,412	3,603,137	2,798,534	1,796,508	2,061,175
Fund Balances					
Nonspendable.....	83,626	101,157	-	-	-
Restricted.....	-	-	-	-	-
Committed.....	-	-	-	-	-
Assigned.....	407,967	529,627	485,101	378,240	637,537
Unassigned.....	9,632,135	9,919,389	6,857,463	8,778,391	6,798,056
Total Fund Balance.....	10,123,728	10,550,173	7,342,564	9,156,631	7,435,593
Total Liabilities, Deferred Inflows of Resources, and Fund Balance.....	19,139,027	17,237,988	13,085,911	13,726,547	12,282,941
Analysis of General Fund Balance					
Operating Revenues.....	\$ 95,031,019	\$ 89,007,129	\$ 85,872,207	\$ 84,103,888	\$ 84,431,700
Fund balance as a percent of operating revenues.....	10.65%	11.85%	8.55%	10.89%	8.81%
Unassigned fund balance as					

Municipal General Budget Expenditures Cap: Connecticut General Statutes Section 4-661 creates a cap on adopted general budget expenditures for municipalities in Connecticut in order for municipalities to be eligible to receive the full amount of the State's municipal revenue sharing grant. Beginning in fiscal year ending June 30, 2018, and in each fiscal year thereafter, the Office of Policy and Management ("OPM") must reduce the municipal revenue sharing grant amount for those municipalities whose adopted general budget expenditures (with certain exceptions including but not limited to debt service, special education, implementation of court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities, and certain major disaster or emergency expenditures) exceeds the spending limits specified in the statute. For each applicable fiscal year, OPM must determine the municipality's percentage growth in general budget expenditures over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater, each of those amounts adjusted by an amount proportionate to any increase in the municipality's population from the previous fiscal year. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap. Each municipality must annually certify to the Secretary of the OPM whether such municipality has exceeded the cap set forth in the statute and if so the amount by which the cap was exceeded.

General Fund Revenues and Expenditures
Four Year Summary of Audited Revenues and Expenditures (GAAP Basis),
and Adopted Budget (Budgetary Basis)

	Adopted Budget 6/30/2025¹	Adopted Budget 6/30/2024¹	Actual 6/30/2023	Actual 6/30/2022	Actual 6/30/2021²	Actual 6/30/2020
Revenues:						
Property taxes.....	\$ 74,244,325	\$ 72,583,935	\$ 67,501,870	\$ 65,471,466	\$ 62,249,852	\$ 61,859,812
Intergovernmental revenues.....	15,338,788	14,303,288	23,494,674	20,230,826	19,524,328	19,430,928
Departmental revenues.....	2,346,349	2,419,649	3,068,782	2,974,639	3,434,467	2,380,059
Investment income.....	420,000	140,000	524,164	79,561	27,818	185,457
Other revenue.....	342,332	334,008	441,529	250,637	635,742	247,632
Total.....	92,691,794	89,780,880	95,031,019	89,007,129	85,872,207	84,103,888
Expenditures:						
General Government.....	4,287,128	4,088,397	3,445,769	2,892,757	2,786,998	2,741,575
Public Safety.....	7,889,528	7,352,709	6,739,238	6,549,136	6,597,850	5,805,325
Public Works.....	5,143,023	4,614,898	3,761,363	3,438,059	3,444,789	3,477,942
Parks and Recreation.....	1,316,906	1,274,665	1,109,140	968,766	936,731	932,696
Health and Welfare.....	176,772	176,772	166,137	150,651	167,376	148,186
Education.....	55,305,902	53,957,069	61,361,203	55,115,793	56,021,064	51,843,047
Debt Service.....	6,389,730	6,610,435	7,722,638	6,707,692	10,121,868	7,165,456
Capital Outlay.....	-	-	1,539,374	744,865	1,009,037	462,260
Other.....	12,182,805	11,705,935	11,577,390	9,994,908	7,210,532	10,126,796
Total.....	92,691,794	89,780,880	97,422,252	86,562,627	88,296,245	82,703,283
Excess (Deficiency) of Revenues Over Expenditures.....	-	-	(2,391,233)	2,444,502	(2,424,038)	1,400,605
Other financing sources (uses):						
Issuance of Refunding Bonds.....	-	-	-	9,430,000	10,290,000	-
Bond Premium.....	-	-	-	1,209,460	481,804	-
Bond Proceeds.....	-	-	-	-	-	-
Issuance of Equipment Financing Notes.....	-	-	367,139	-	-	-
Subscription Based IT Arrangements.....	-	-	496,408	-	-	-
Deposit to Escrow & Costs of Debt Issuance...	-	-	-	(10,534,474)	(10,633,950)	-
Capital Lease Proceeds.....	-	-	675,827	744,865	1,009,037	462,260
Operating Transfers In.....	-	-	561,980	387,426	253,394	128,800
Operating Transfers Out.....	-	-	(136,566)	(474,170)	(790,314)	(270,627)
Total Other financing sources (uses).....	-	-	1,964,788	763,107	609,971	320,433
Excess (deficiency) of revenues and other financing sources (uses) over (under) expenditures and other financing uses.....	-	-	(426,445)	3,207,609	(1,814,067)	1,721,038
Fund Balance, Beginning of Year.....	10,123,728	10,123,728	10,550,173	7,342,564	9,156,631	7,435,593
Fund Balance, End of Year.....	\$ 10,123,728	\$ 10,123,728	\$ 10,123,728	\$ 10,550,173	\$ 7,342,564	\$ 9,156,631

¹ Budgetary Basis of accounting.

² For the fiscal year ending June 30, 2021, the Town experienced a general fund deficit of approximately \$1.8 million. The deficit was due to unbudgeted special education costs and unreimbursed COVID-19 related expenditures incurred by the Board of Education. Although the Board of Education did not discover and report the deficit until May 2021, the Town has taken steps to improve the function and accuracy of its monthly budgetary reports with regards to education costs and it is believed that such COVID-19 related expenditures are unlikely to recur.

VII. Legal and Other Information

Litigation

The Town of Watertown, its officers, employees, boards, and commissions are named defendants in a number of lawsuits, tax appeals, administrative proceedings, and other miscellaneous claims. It is the opinion of the Town Attorney, following consultation with Town officials and other attorneys providing legal services to the Town, that such pending litigation will not be finally determined, individually or in aggregate, so as to result in final judgments against the Town which would have a material adverse effect on the Town's financial position.

The Town was involved in litigation with the City of Waterbury over rates to be charged by Waterbury for water and sewer treatment services supplied by Waterbury to the Town and the Watertown Fire District. That litigation resulted in a judgment in favor of the City of Waterbury in the amount of \$18,800,000. The matter has been appealed based on claims that the rates for water and sewer service Waterbury is seeking to apply to the Town violate State statutes and Waterbury municipal charter provisions. The rates are paid by water and sewer users to the Water and Sewer Authority which is an enterprise fund for the Town. In addition, the Watertown Fire District pays the Water and Sewer Authority for its sewage. In the event the judgment is affirmed, it will be paid in part from the enterprise fund from ratepayers and in part by the Fire District.

Documents Furnished at Delivery

The original purchaser of the Bonds will be furnished the following documentation when the Bonds are delivered:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them.
2. A Certificate on behalf of the Town, signed by the Town Manager and the Acting Finance Director which will be dated the date of delivery, which will certify, to the best of said officials' knowledge and belief, that at the time bids on the Bonds were accepted the descriptions and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement.
3. Receipt for the purchase price of the Bonds.
4. The approving opinion of Pullman & Comley, LLC, Bond Counsel, of Hartford, Connecticut, substantially in the form of Appendix B attached hereto.
5. An executed Continuing Disclosure Agreement in substantially the form of Appendix C attached hereto.
6. The Town has prepared an Official Statement for the Bonds which is dated September 11, 2024. The Town deems such Official Statement final as of its date for purposes of SEC Rule 15c2-12(b)(1), but is subject to revision or amendment. The Town will provide to the winning bidder of the Bonds a reasonable number of copies of the Official Statement, prepared for this Bond issue at the Town's expense and delivered not later than seven business days after the bid opening. Additional copies may be obtained by the winning bidder at their own expense by arrangement with the printer. If the Town's Municipal Advisor is provided with the necessary information from the winning bidder by noon of the day after the bid opening, the copies of the Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating, yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any, of the Bonds.

A record of the proceedings taken by the Town in authorizing the Bonds will be kept on file at the principal office of the Certifying Agent, U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut 06103 and may be examined upon reasonable request.

Concluding Statement

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, such statements are made as such and not as representations of fact or certainty, and no representation is made that any of such statements will be realized. Information herein has been derived by the Town from official and other sources and is believed by the Town to be reliable, but such information other than that obtained from official records of the Town has not been independently confirmed or verified by the Town and its accuracy is not guaranteed.

This Official Statement has been duly prepared and delivered by the Town, and executed for and on behalf of the Town by the following officials:

TOWN OF WATERTOWN, CONNECTICUT

By: */s/ Mark A. Raimo*

Mark A. Raimo, *Town Manager*

By: */s/ Susan E. Zappone*

Susan E. Zappone, *Acting Finance Director*

Dated: September 11, 2024

Appendix A

2023 Financial Statements Excerpted from the Town's Annual Comprehensive Financial Report

The following includes the General Purpose Financial Statements of the Town of Watertown, Connecticut for the fiscal year ended June 30, 2023. The supplemental data that was a part of that report has not been reproduced herein. A copy of the complete report is available upon request from Barry J. Bernabe, Managing Director, Phoenix Advisors, 53 River Street, Suite 1, Milford, Connecticut 06460. Telephone (203) 283-1110.

Appendix B

Form of Opinion of Bond Counsel

Appendix C

Form of Continuing Disclosure Agreement

Appendix D

Notice of Sale

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